

# WORKING PAPER

## **Towards an “Expectations Fulfillment Gap” in 16+1 Relations? China, the EU and the Central and Eastern European Countries**

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## **Towards an “Expectations Fulfillment Gap” in 16+1 Relations? China, the EU and the Central and Eastern European Countries**

### **Abstract**

*By now it has become clear that several Member States of the European Union (EU) in Central and Eastern Europe (CEE) as well as (potential) candidates for future membership of the EU in the Western Balkans have turned towards Beijing to compensate for unfulfilled expectations vis-à-vis the EU. These expectations come in three manifestations: First, while some of the EU Member States in the CEE region have turned towards more illiberal democratic practices, they expect the EU to respect their sovereign right to do so. To balance EU expectations and, in some cases, sanctions vis-à-vis their sovereignty, these states are leaning towards Beijing and use it as a political and diplomatic buffer. Second, after more than 40 years under Communist rule, the CEE states and their governments raised high expectations as to the economic growth, modernization, and improved living standards emanating from their EU membership and closer integration into the EU structures, but not all of these expectations have been met by the EU or private economic actors. In turn, in the aftermath of the 2008 global economic and financial crisis and the subsequent Eurozone’s debt crisis, China has expanded its economic outreach to the CEE region, which has later been institutionalized through the Belt and Road Initiative (BRI) and the 16+1 Cooperation, and provided a perfect alternative for economic cooperation and investment. And third, nations in the Western Balkans have been becoming increasingly disillusioned with the EU accession process, since Union membership still remains a rather distant prospect for most of them. The promise of joining the EU has long served as a strong incentive for the Western Balkan countries to reform, yet the guarded engagement of the EU in the region in recent years has resulted in growing frustration and the Balkan’s opting for alternatives that would satisfy their needs and expectations.*

*The paper discusses the above-described trend of “expectations fulfillment gap” for several groups of states, i.e. the Visegrad Group, the Baltic countries, and the Western Balkans, and assesses the interaction between their political and economic expectations attached to the 16+1 Cooperation. Our theoretical argument is based on Christopher Hill’s (1993) notion of “capability–expectations gap,” which describes a divergence between the articulated expectations and the actual capabilities, or, in our case, between anticipated and actual results. We conclude that the expectations are partially comparable among these distinct groups of states because economic cooperation with and investment by China includes long-term economic asymmetries which might also hamper political autonomy of the CEE countries. It follows that the management and moderation of expectations is the task ahead to avoid future disappointments.*

**Keywords:** *16+1 Cooperation, European Union, China, Central and Eastern Europe, Visegrad Group, Western Balkans, Baltic region*

## 1. Introduction

The rise of China has been at the center of global politics throughout the past decade. The expansion of China's interests and infrastructures into Africa, Southeast Asia, and other parts of the globe have raised many expectations as well as concerns. The Belt and Road Initiative, unveiled by Chinese President Xi Jinping in 2013, signaled the advent of a new era of China's engagement with Central, South, and Southeast Asia as well as Africa and Europe. Today, important segments of the Chinese society yearn for the return of China to the center stage of regional, if not world politics – a development that, were it to occur, would surely upset some of the institutions and relationships between current great and lesser powers. Understanding the rise, accommodation, and future of China in regional and world affairs is therefore central to the successful management of China's as well as the European Union's (EU) foreign relations in this transformative era of world politics.

The study of hierarchies and asymmetrical relations between great and lesser powers has been neglected in International Relations (IR) analysis. This has become increasingly unfortunate because major changes in the relative positioning of various states and non-state actors have occurred recently. While IR theoreticians in- and outside China have started to address this lacuna (Babones 2017; Qin 2016; Reeves 2016; Zarakol 2017), we still lack the theoretical tools to understand and explain the evolving relationships between a “rising China” and lesser states around the world, particularly in Europe.

In this paper, we build upon the concept of a “capability-expectations gap” by Christopher Hill (1993) and pose more systematic hypotheses about the relational qualities of the 16+1 cooperation between China and Central and Eastern European countries (CEEC). The paper is divided into two major parts. First, we summarize the effects of the “expectations fulfillment gap” on the part of CEEC vis-à-vis the EU and show how variations of unfulfilled political, economic, and accession expectations of CEE states account for differences in their relations towards China. Drawing upon role theory, we contend that CEEC's relationship with China is intertwined with their respective relations to the EU and its member states. International roles, in this view, are understood as social positions enclosing specific functions in a group. Foreign policy choices, then, result from choosing between commensurate or incommensurate expectations of “significant others,” usually states or international organizations, and one's own society (Harnisch 2015a).

We review the expectations fulfillment gap for different groups of states in Central and Eastern Europe and the Balkans. CEE EU member states are most likely to cast China into the role of an “alternative leader” vis-à-vis the EU when their quest for autonomy and their political expectations about participation in EU politics as well as economic claims about EU transfers are disappointed. In addition, while relaxing the assumption that all CEEC are unitary actors, we suggest that some countries feature distinct patterns of collusion between business and political elites – i.e. corruption – making them more amenable to large scale infrastructure projects without competitive bidding processes. And, last but not least, we argue that countries in the Western Balkans have become increasingly disillusioned with their unfulfilled EU accession aspirations, fueling a strategic reorientation towards China. While

political, economic, and accession expectations fulfillment gaps are intimately related, we treat them as analytically distinct in this paper.

In the second part of this paper, we address the puzzle of a recent role reversal by CEE states, which appear to have become more keen on pursuing a joint EU foreign policy towards China in the spring of 2018. In April 2018, the German business newspaper *Handelsblatt* reported that 27 out of 28 EU ambassadors to China consented to a joint report, warning about possible lack of transparency of the China's "New Silk Road" strategy while criticizing the predominance of Chinese interests in this project, which may lead to permanent power asymmetries (Heide et al. 2018). True or not, this latest report reinforces signs of greater unity within the EU in dealing with China, the reasons for which have not been explored analytically yet. We suggest that new external and internal challenges in and to the EU, such as the Trump administration's "America First" policy or the Brexit dislocations, are drawing CEE member states closer to the EU. We also find that the possible recurrence of anti-great-power sentiments as well as unfulfilled expectations with regard to Chinese investments may explain the recent pivot of CEE states towards the EU. Other potentially influential role expectations are the ongoing negotiations over the EU's next long-term budget framework and the EU's renewed focus on the Western Balkans. We suggest that the "cold rationality" of budgetary concerns can be traced back to the historical experience of the region of being left out. Like many relational IR theories, role theory focuses on current relationships but it also integrates historical self-perceptions, such as chosen traumas and historical (intergenerational) (in-)justices, to explain current role behavior (Harnisch 2015b).

The paper is a theoretical reflection on the nature, causes, and duration of relational roles of CEEC vis-à-vis China and the EU. It is not a deep empirical study of the CEEC policies towards Beijing, or of European countries' positions vis-à-vis the Belt and Road Initiative in general. Role theory is applied to three groups of states of Central and Eastern Europe at the level of broad interpretation. Specialists will no doubt find the approach unsatisfying, but we believe there is value in interpreting the CEEC's reaction to the Belt and Road Initiative in relational terms.

## **2. Theoretical argument, case selection, and methodology**

In 1993, Christopher Hill surveyed earlier arguments about the (then) European Communities' (EC) anticipated versus effective role in the world (Hill 1993). Hill argued that while the EC had continuously been ascribed to an ever-growing set of capabilities, its actual performance was much less impressive, resulting in a growing "capability-expectations gap." To account for the gap analytically, Hill found that the EC is characterized by different degrees of the ability to agree (coherence), available resources (i.e. lacking autonomous military capacities), as well as foreign policy instruments at the disposal of the EC proper (Hill 1993: 321).

We build upon Hill's insights and apply them to the CEEC's role taking towards the EU and China. In this view, the CEEC's role expectations emanate from both historical self-ascription as "victims of great power politics" and current role expectations as respected and

equal members of the EU, which in their view represents an assemblage of autonomous nation states (Beneš/Harnisch 2015; Kowalski 2017: 7). We suggest that CEEC patterns of cooperation with China in the 16+1 framework rest on grievances resulting from their unfulfilled expectations with regard to political participation in the EU, economic opportunities and transfers in the aftermath of the global financial crisis and the subsequent Eurozone's debt crisis, as well as yet-to-be-fulfilled accession expectations by the Western Balkan countries.

Although CEEC's interests in China started to gain ground only in the aftermath of the global financial crisis in 2008/2009 – with China casting CEEC economies as bridges into the EU market – CEEC's role behavior towards China has diversified considerably. The Visegrad countries, most notably Hungary, have highlighted political ties with Beijing as a tool to rebuff EU expectations about the adherence to the rule of law and EU regulations. The CEEC's fear of possible encroachment on their national sovereignty can be best expressed by using the words of the Czech President Miloš Zeman:

*“Because there was very bad relationship between China and the former government of the Czech Republic—former government, I stress—because this government has been very submissive to the pressure from the U.S. and from the EU. Now we are again an independent country, and we formulate a foreign policy which is based on our own national interest. We do not interfere with the internal affairs of any other country, and this is my explanation of the restart” (Zeman 2016).*

A second group of countries, among them the Baltic EU member states, has opted for closer relations with China to diversify their foreign direct investment (FDI) portfolio and gain preferential market access (see below). Finally, non-EU members on the Balkans, disappointed by the EU's enlargement fatigue, have expected China to invest in their economy and infrastructure, thereby turning them into an important logistic hub for the entry into the EU's common market.

In contrast to earlier depictions of CEEC's China policies as determined only by commercial interests (Godement/Fox 2009), we contend that CEEC's role positioning vis-à-vis China results from both internal and external expectations as well as commercial and ideational preferences, including past experiences with communism and Soviet hegemony (Song 2018). There is sufficient evidence in the historical record to sustain that external role expectations, most notably expectations and policies from Russia, the United States and the EU, play a more prominent role for CEEC than those from China. Nonetheless, we contend that China has become a more important “significant other” to CEEC because of varying degrees of the “expectations fulfillment gap” these countries encounter with the EU.

This study applies a mixed methods research design for data collection and analysis, combining descriptive statistics and the method of qualitative content analysis. The topic at hand requires both quantitative and qualitative approaches to provide a comprehensive understanding of the discussed phenomena. Mixed methods research, which aims to integrate qualitative and quantitative data and combine the strengths of each methodology, is especially suitable when exploring complex research questions (Creswell 2015). The analysis of statistical data helps to identify patterns and guide case selection for more in-depth research.

To test the hypotheses that we deduced from role theory, we use qualitative content analysis, which allows for a deeper understanding of the observed statistical relationships and collected empirical data. The content analysis works with theoretically derived category schemas in order to systematically structure and interpret the text material. For our research purpose, we used both primary and secondary sources and we made sure to include different perspectives of authors from Western Europe, Central and Eastern Europe, and China.

### **3. CEEC and the growing “expectations fulfillment gap” vis-à-vis the EU**

Based on Christopher Hill’s (1993) notion of “capability–expectations gap” (see above), we understand the “expectations fulfillment gap” as a divergence between anticipated roles and actual role taking. Considering the great diversity of external and internal expectations among the CEEC participating in the 16+1 format, we differentiate between unfulfilled political, economic, and accession expectations. While the first two manifestations pertain to the expectations of the 11 CEE states that are members of the EU, the third refers explicitly to the five Western Balkan countries involved in the 16+1 cooperation framework.<sup>1</sup>

Despite being perceived as one block within the 16+1 cooperation, “Central-Eastern Europe” is in reality a very heterogeneous group of states, including both EU members and non-members (Kowalski 2017: 6). This heterogeneity is not limited to the EU membership but embraces also various levels of political and socio-economic development as well as cultural, linguistic, and religious characteristics that feed into domestic role expectations (Song/Wang 2018). What these states have in common is a shared but diverse communist past, resulting in a strong quest for autonomy while pursuing EU membership. Some of them (the four Visegrad states, the three Baltic states, and Slovenia) accomplished this goal earlier (in 2004), while others (Bulgaria and Romania in 2007 and Croatia in 2013) took longer to fulfil the necessary accession requirements, with the Western Balkan countries still waiting to be admitted to join the EU.

The “Return to Europe” or “Return to the West” was thus the primary objective of the CEE states after the collapse of the Soviet Union (Kavický 2012: 14). Under new political leadership, the countries underwent extensive economic, political, and social transformation to comply with the EU accession criteria. The reform efforts, enjoying wide support across the political spectrum and in society, were driven by high expectations towards these countries’ integration within Euro-Atlantic and Western European structures. Becoming part of the EU has brought significant benefits to the region, leading to an increase in gross domestic product (GDP) levels, declining unemployment rates, and improving living standards (Kalotay 2017; Long 2018). Competitive advantages of a cheap yet skilled labor force and geographic proximity to Western European markets resulted in attracting foreign investors, which in turn helped CEEC modernize their economies and integrate into the European and global markets (Balázs 2017; Hunya 2017; Medve-Bálint 2014).

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<sup>1</sup> While Albania, The Former Yugoslav Republic of Macedonia, Montenegro, and Serbia have been granted candidate status by the EU, Bosnia and Herzegovina remains a potential candidate (European Commission 2018b).

However, annual FDI flows to the region shrunk and the economic growth of the CEE countries slowed down as a consequence of the global financial and economic crisis in 2008 (Kalotay 2017: 25; Liu 2015; Long 2014). The EU-15, the region's primary source of FDI, considerably lowered their investments in the 11 CEEC in the aftermath of the so-called Great Recession (Dornean/Oanea 2015: 60-61). Struggling for economic recovery, the CEE states welcomed the increased activity of Chinese investors in the region, who seized the "window of opportunity" and stepped up their economic cooperation with the Eastern periphery of the EU, a process formally institutionalized by the establishment of the 16+1 cooperation (Fürst/Tesař 2013; Seaman et al. 2017: 11). Although the "old" EU member states still remain the primary source of FDI inflows for the CEE region, Chinese companies have emerged as "significant other" investors in the past few years (Balázs 2017).

The global financial crisis and the subsequent Eurozone's debt crisis resulted in growing material expectations gap in terms of declining FDIs from the older to the newer EU members. But the twin crisis also had negative implications for the internal cohesion of the EU (Dempsey 2016). Most CEE states took a notably harder line than Western European members of the EU during the negotiations over the financial aid programs for Greece and other Eurozone countries affected by the crisis. For one, Slovakia has been among Greece's harshest critics, arguing that they have carried out tough economic reforms themselves and therefore do not feel obliged to pay for others' mistakes (BBC News 2015; Puhl 2011).<sup>2</sup> The considerable crisis support for Greece, which had been a large recipient of European funds already before the crisis, generated a feeling of unfairness and "unfulfilled expectations" (*"We could have received the support if others had not gotten it"*) in some, if not all, CEE states. The resulting frustration, in turn, facilitated a strategic reorientation of states in the CEE region towards other partners than the EU, such as China.

Other role conflicts have further exacerbated this distancing trend. CEE countries such as Hungary and Poland, which have been at odds with EU institutions over their adherence to the rule of law and their democratic practices, denounced resulting actions by the EU as "external interference" in their domestic affairs (Buras 2017). Similarly, when the Visegrad states faced accusations of building an opposition bloc within the EU during the recent migration crisis by rejecting any mandatory quota system for the redistribution of asylum-seekers, they dismissed the criticism by saying that it is their sovereign right to do so (The Economist 2015). Moreover, the recent re-emergence of nationalist parties has prompted leading politicians in Central and Eastern Europe to call for more autonomy from the EU (Deutsche Welle 2016).

Given their long and arduous struggle for independence from Soviet communism, CEE governments and their societies are very sensitive about any kind of centralization within the EU, including the pooling of sovereignty in certain policy areas. It was primarily the economic benefits, not the identification with all values of the EU, that the CEE states associated with the EU membership and that continues to affect their membership role. To counterbalance political expectations from the EU institutions, the CEEC have thus leant towards Beijing and used it as a political and diplomatic buffer. It is the kind of "no-strings-

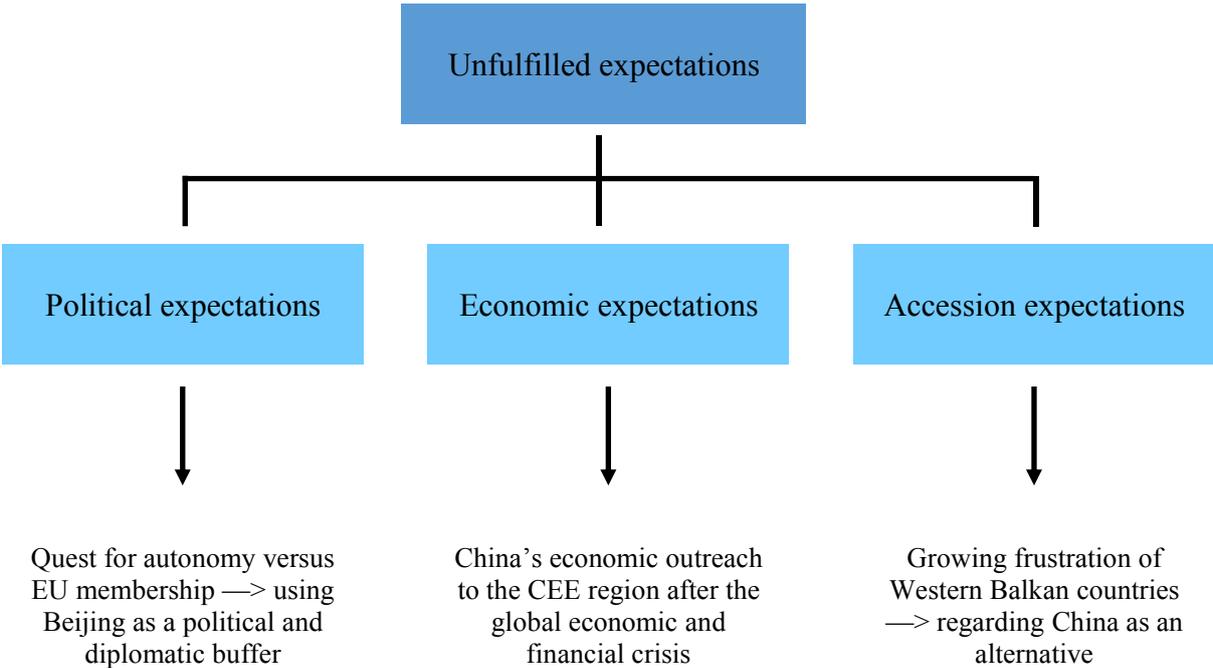
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<sup>2</sup> In 2011, Slovakia was the only Eurozone member who refused to participate in the first bail-out package for Greece (Pidd 2011).

attached” cooperation based on pragmatism and economic interests that makes China so attractive at this time for the countries of Central and Eastern Europe (Auer/Stiegler 2018: 141; Liu 2013).

Countries in the Western Balkan region have also experienced an expectations fulfillment gap in recent years. After a series of ethnic conflicts and wars of independence in the former Yugoslavia in the 1990s, the Balkan countries placed great hopes in becoming members of the EU. The statement made by the European Council at the Thessaloniki summit in 2003 that *“the future of the Balkans is within the European Union”* provided a strong incentive for the region and sparked a number of economic and institutional reforms in the early 2000s (Fouéré 2017). However, in the light of recent challenges, including the European debt crisis, Brexit, and the unprecedented arrival of migrants and refugees in Europe in 2015, the enthusiasm for future enlargement has turned into fatigue on the part of the EU. Of the seven Western Balkan countries, only Croatia was successful in fulfilling the accession criteria and becoming a full EU member. The guarded engagement of the EU in the region in recent years has thus resulted in a growing frustration of the Western Balkan nations (Balkans in Europe Policy Advisory Group 2014; Krastev 2018). The geopolitical vacuum brought about by the rather distant prospect of EU accession and wavering EU interest in it created an opportunity for outside actors such as Russia and China to increase their presence in the region (Fouéré 2017). China, in turn, has invested in numerous infrastructure projects across the Balkan region (Tonchev 2017). The Western Balkan countries, which are not subjected to the EU rules and regulations regarding public procurement (yet), have welcomed the rise in Chinese investments, using them as an alternative to the unfulfilled expectations they had on the EU.

**Chart 1:** Three manifestations of the CEEC’s “expectations fulfillment gap” vis-à-vis the EU



Source: own depiction

#### **4. Balancing expectations between EU and China: a CEEC's fragmented pivot towards Europe?**

Due to the *material expectations gap*, *autonomy expectations gap*, and *accession expectations gap*, the EU lost some of its attractiveness for CEE states, which, in turn, have been probing alternatives that would meet their expectations. But the growing Chinese involvement in Europe has also led policymakers of the EU member states to start questioning whether the Belt and Road Initiative (BRI) is really a symmetrical “win-win cooperation” as proclaimed by the Chinese government. While such reservations surrounding the BRI were so far limited to Western Europe, CEE decision-makers have recently joined in voicing concerns as well (Fürst 2017; Szczudlik 2017). In April 2018, 27 out of 28 EU ambassadors to China drafted and signed a report, which claimed that BRI projects put Chinese companies at an advantage and do not follow international transparency norms. The news reinforced already existing suspicions that the Belt and Road and 16+1 initiatives might “divide and rule” Europe (Heide et al. 2018). Although the report has not been published yet, it signals a renewed unity among the EU members in their approach to China and, more importantly, a new strategic reorientation on the part of the CEE states. Consequently, this section aims to explore the reasons behind this reorientation, while discussing possible closure of the three gaps identified before.

##### **4.1 Political expectations**

###### Lessons learned from Brexit

The Brexit decision caught the CEEC, among other EU member states, completely off guard. It presented an especially hard challenge for Slovakia, which assumed the rotating presidency of the Council of the EU in the second half of 2016. Slovak foreign minister, Miroslav Lajčák, called it “a brutal start” for their presidency and stated that he would “*support any measure that will help reverse the position of the British people, which we have to respect but also regret*” (Connolly 2016). But Slovakia was not the only country shocked by Britain’s departure from the EU. According to Dariusz Kałan, a Central Europe expert at the Polish Institute for International Affairs, the reactions in the whole CEE region have been marked by “*genuine shock and helplessness*” (Connolly 2016). The CEEC, and among them especially the four Visegrad states, felt that they lost an important ally with a similarly skeptical view of deeper European integration. Of even greater concern to CEE policymakers has been the potential marginalization and isolation within the EU if the idea of a “two-speed” Europe materializes (Janulewicz/Merheim-Eyre 2017). Their concerns became reality when, immediately after the Brexit referendum, the (then) German foreign minister, Frank-Walter Steinmeier, invited the foreign ministers of the six founding member states of the EU to Berlin and reiterated their commitment to an “ever closer union” (Connolly 2016). Observing

the painful lesson the United Kingdom (UK) is currently learning during the exit negotiations, CEE leaders appear to follow a more pragmatic policy line in the EU.

#### The Trump presidency

The election of Donald Trump as president of the United States (US) left EU institutions and member states, which were still digesting Brexit, in a state of shock and dismay. The reactions, however, differed depending on the political leadership and reflected the well-known “old-versus-new Europe” divide. While leaders such as Angela Merkel and Francois Hollande expressed their concerns about the Trump’s “America First” philosophy and its impact on the transatlantic relationship, the CEE states took a more optimistic view. In fact, Czech President Miloš Zeman and Hungarian Prime Minister Viktor Orbán belong to the most prominent supporters of Donald Trump (Zgut et al. 2017). More systematically, the European Council on Foreign Relations has identified three groups of states in the EU that are characterized by distinct effects the current US president has had on them: the Antichrist Effect, the Regency Effect, and the Messiah Effect (Shapiro/Pardijs 2018).

The first group, including Western European members and CEE states Estonia and Slovenia, perceives Trump as an ‘Antichrist’ figure who threatens the Western liberal values. The second group of states, represented among others by Bulgaria, Croatia, Latvia, Lithuania, Romania, and Slovakia, hope(d) that the actions of Donald Trump would be controlled by his senior advisers and institutional constraints so that the transatlantic relationship would remain more or less intact. The third group, which the report describes as “Trump’s apostles” in Europe and which comprises Miloš Zeman in the Czech Republic, Viktor Orbán in Hungary, and the ruling Law and Justice party in Poland, has praised Donald Trump for his nationalist rhetoric and anti-immigration policies (Shapiro/Pardijs 2018). But even this very positive role identification has shown some cracks. After Trump’s withdrawal from the Paris Agreement, Victor Orbán publicly stated that he was “in a state of shock,” and emphasized that no one should question the science of climate change (Orbán 2017). More importantly, all CEEC (still) consider the US and NATO as the main guarantors of their national security and stability in the region. Therefore, after Donald Trump repeatedly called NATO obsolete in his election campaign and his affinity with Russia came to the surface, the Baltic states and Poland became wary. While the Trump administration reassured Eastern European NATO members of continued US troop presence in the region, America’s credibility as a reliable partner has been somewhat impaired. Donald Trump’s unpredictability, his “America First” doctrine, and his protectionist policies have thus given EU integration new impetus to strengthen its internal cohesion.

**Table 1:** Three “Trump effects” on the EU member states

<b>Antichrist Effect</b>	Estonia, Slovenia
<b>Regency Effect</b>	Bulgaria, Croatia, Latvia, Lithuania, Romania, Slovakia
<b>Messiah Effect</b>	Czech Republic, Hungary, Poland Opposition parties in: Bulgaria, Slovenia

Source: Own depiction based on data from Shapiro and Pardijs (2018)

#### Aversion towards centralization

Historical self-identification still plays a crucial role in the CEEC role taking today. The experience of many years living “under foreign occupation” has complicated their relations towards both Russia and the Western powers. While Russia is perceived primarily as a security threat by most of the CEE states, the anti-great-power sentiments vis-à-vis the West relate mostly to their sense of being marginalized in the world politics (Kořan 2017). In contrast, most relations between Central and Eastern Europe and China are not marred by any historical animosities (Liu 2016). However, China’s recent turn towards more centralization of power and the introduction of a social credit system for Chinese citizens are prone to trigger old memories and traumas in the CEE states linked to their painful historical experiences with centralization.

## 4.2 Economic expectations

#### Negotiations over the next multiannual EU budget

Other role conflicts might also help to explain the recent shift on the part of the CEEC. These states have found themselves facing a dilemma of sustaining their quest for autonomy against the background of the current negotiations over the EU’s next Multiannual Financial Framework for the period 2020-2027. The European Commission revealed its official proposal for the EU long-term budget on 2 May 2018, but the negotiating process is expected to take more than a year until the EU member states reach an agreement (European Commission 2018a). EU Budget Commissioner Günther Oettinger has already stated that adjustments will have to be made to fill in the void left by Brexit since the UK was one of the EU’s biggest net contributor nations (Fox 2018). Respective cuts are expected to affect, inter alia, the Cohesion Policy and its funds that are used to provide support for the poorer regions of Europe, including the former Soviet bloc countries in Central and Eastern Europe, which are still catching up economically. The European Commission also plans to link the disbursement of EU budget funds to the compliance with the rule of law, a proposition that was met with substantial opposition from Poland which fears that it might face possible EU funding cuts over its controversial judicial reforms (Bodalska 2018). Commission officials, however, deflected such criticism, arguing that the proposal was not directed against any specific member state but is meant to safeguard the respect for the rule of law as an essential

precondition to guarantee proper use of funds in the recipient countries (Meier 2018). In the light of the upcoming budget negotiations, it seems plausible that some EU member states, including the CEE, will try to balance their commitment to EU rules with their respective engagement towards China, considering the relative impact on specific interest groups and the society at large.

#### Expectations gap with regard to investments from China

The launch of the 16+1 cooperation raised considerable expectations in the CEE countries that Chinese investment and strengthened trade relations would help create jobs, generate wealth, provide capital for research and innovation, and build and improve infrastructure in the region. However, most CEEC observers suggest that these expectations have not borne fruit (yet) and that the 16+1 cooperation brought more political than economic results (Matura 2017). Some countries, such as Poland or the Western Balkan states, have seen an increase of Chinese FDI in the past few years. But others, such as Hungary, have been struggling to attract new Chinese investors (Seaman et al. 2017: 13). In addition, despite the rise of Chinese direct investment in some countries, its share among total FDI stock remains generally very low in Central and Eastern Europe. Moreover, the UK, Germany, and France as well as the remaining EU-15 countries continue to serve as major destinations for Chinese foreign investment and, in the same vein, Western European countries are still the major partners for CEEC in terms of investment, trade, and funding of infrastructure projects (Baker & McKenzie 2015; Seaman et al. 2017).

More concretely, the “expectations mismatch with China” is exacerbated by the fact that Chinese investments in the CEE region have concentrated on a few high-profile infrastructure projects, while many CEE states would prefer greenfield investments and joint-ventures that they deem more beneficial to their economies (Góralczyk 2017; Pavličević 2016). Moreover, some big infrastructure projects have yet failed to deliver tangible results, which can be demonstrated by the considerable delay in implementation of one of the flagship projects of the 16+1 cooperation, the Budapest-Belgrade high-speed railway. According to the original plans, the Budapest-Belgrade railway was supposed to be finished by 2017. However, the construction was put on hold by the European Commission’s investigation into potential infringements of EU tendering rules, and it was only in November 2017 that Hungary announced a procurement tender for its section of the line (Góralczyk 2017; Zalan 2017). Some CEE states, which turned towards Beijing to compensate for unfulfilled expectations vis-à-vis the EU, have thus started to point to the discrepancy between China’s economic promises on the one hand and reality on the other hand (Fürst 2017).

#### **4.3 Closing the gap in the Western Balkans**

Over the course of the last two years, EU institutions have recognized that they have been losing ground in the Western Balkan region. Consequently, in February 2018, the European Commission adopted a strategy titled “*A credible enlargement perspective for and enhanced EU engagement with the Western Balkans,*” in which it renewed the prospect of

membership for Albania, Bosnia-Herzegovina, Kosovo, Macedonia, Montenegro, and Serbia. The strategy mentions six flagship initiatives of how the EU will support the transformation efforts of the Western Balkan countries. Serbia and Montenegro, which are considered as front-runners toward EU accession, could be allowed in by 2025 if they meet all necessary conditions, including fundamental reforms and good neighborly relations (European Commission 2018c). The reassurance of still being an integral part of the EU integration process, together with the new prospect of becoming a full member at some point in the future, seems to help close the existing expectations gap. In fact, as of today, the EU remains by far the largest trading partner for the Western Balkan countries and the main source of inward FDI (Fouéré 2017). Moreover, the European Commission proposed to gradually increase funding under the Instrument for Pre-Accession Assistance (IPA) until 2020 to support the Western Balkan countries on their path to the EU. With the new strategy, the EU has made a clear attempt to pull the region closer to itself, but it also made sure to remind the leaders in the Western Balkans of the importance of their “strategic orientation and commitment” (European Commission 2018c: 18).

## **5. Conclusion and outlook**

This paper, as the title suggests, is an interpretation of China’s rise as a “significant other” for CEEC against the background of unfulfilled expectations. It is written from a role theoretical perspective, which considers historical and current role expectations as crucial for countries’ role behavior. While the different groups of states among CEEC provide interesting variation on many of the domestic expectations in the general theory, the data necessary for a rigorous application have not been systematically assembled. It was the limited purpose of this paper to provide some additional perspective to explain the initial variation in role taking by different CEEC and to better understand the recent turn towards a more cohesive EU role identification in the spring of 2018.<sup>3</sup> Perhaps the most important contribution of role theory lies in suggesting how – contrary to the expectations of many – past experiences and current expectations of others shape the role taking of CEEC vis-à-vis China.

The theory also provides a sketchy road map towards the future as some domestic role expectations in CEE countries may shift – due to changes in government – once again towards a more pro-European course. But most pointedly, role theory suggests that at least some CEEC are likely to remain highly skeptical towards great powers – being East or West – as their historical struggle for autonomy is part of their continuing national self-identification. As these states mature into their respective roles as EU members, they are unlikely to take on member states’ roles similar to those of Western EU members. To understand the future of CEEC-EU-China relations, we must return to the study of past relationships.

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<sup>3</sup> The case of Hungary is an interesting outlier in this respect. We suggest that this course reflects both a more autonomous course vis-à-vis the EU’s critique of Hungary’s turn towards administrative centralization and populist nationalism and a strong preference for big infrastructure projects to serve a specific domestic clientele.

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